

King County 2012 Budget Preview

Dwight Dively – May 26, 2011

1. A Quick Look Back

- County General Fund had a “gap” of about \$60 million (roughly 9%) between 2011 projected revenues and estimated cost of continuing existing programs with current cost drivers
- 0.2% sales tax proposal would have protected law, safety, and justice programs, but only received 45% “yes” vote on November 2010 ballot
- Most County General Fund agencies, including LSJ agencies, ended up with cuts of about 10% compared with projected cost of current services
- About 90% of County employees gave up COLAs for 2011, allowing several programs and about 75 positions to be preserved

2. General Fund Status for 2012 and Beyond

- Revenue restrictions mean that General Fund revenue usually won't keep up with inflation and population growth, let alone historic cost growth above inflation
- Some recent good news: sales tax revenue growth starting in November 2010, progress in reducing health care cost growth, State tax amnesty windfalls
- No mid-2011 budget cuts for General Fund agencies
- Current budget planning does not assume General Fund budget cuts for 2012 (but see 3% efficiencies discussion below)
- Risks include impacts of state and federal budget cuts (still being analyzed) and another economic downturn

3. 3% Efficiency Initiative

- County's historic General Fund cost growth has been about 3% more than inflation plus population growth
- Executive Dow Constantine has called on all County agencies (not just General Fund) to find 3% efficiencies annually (efficiency means lower cost growth while at least maintaining quantity and quality of service)

- 3% efficiencies can be “internal” (e.g. process improvements within an agency) or “external” (e.g. lower health care cost growth through labor negotiations)
- Some successes have already been achieved: “on call” jurors in Superior Court, space consolidation by Sheriff’s Office (closing precincts 2 and 3 and establishing East Precinct Command Center in Sammamish), lower-cost food procurement by DAJD
- Many “external” efficiencies will bear fruit in 2012 and beyond: further space consolidations, consolidation of servers in new data center, and health care cost savings

4. Regional Contracting Efforts

- County is committed to improving regional partnerships that benefit all participants
- DAJD and Executive staff are working on a new jail services contract with Seattle that also will be offered to other cities
- KCSO is working with contract cities to improve clarity and stability of costs while looking for efficiencies that save money for all parties
- KCSO is also looking at possible regionalization of other services